Further, the level of silicon content in such pig iron is not of the requisite level for usage in foundry. In regard to scrap, adoption of modern state of the art technology in place of earlier obsolete technology by the steel industry has reduced the quantum generation of scrap. Thus, the public sector steel units not producing sufficient pig iron and scrap to meet domestic demand can not be considered as failure. A number of mini blast furnaces, producing pig iron of different grades at a cheaper cost have been established in different parts of the country. The use of scrap in steel making through induction furnace /electric arc furnace has also been largely replaced by Direct Reduce Iron (DRI). Although the developments on the pig iron and DRI front have been mainly the result of private initiative, Government encouragement and support such as special electricity rates given to DRI units in the Eastern Region, have supported such initiative.

Market price of steel

2916. SHRI SANTOSH BAGRODIA: Will the Minister of STEEL be pleased to state:

(a) what is the production cost of steel, unit-wise;

(b) the amount of tax imposed on steel;

(c) the average market price of steel;

(d) the amount of profit on it; and

(e) the steps taken to reduce the price of steel?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) The Indian steel industry consists of a whole range of production facilities—from primary steel making to rolling/downstream processing of finished products. The production takes place in integrated plants and also in stand-alone modules confined to a particular stage of production. The cost of production in each production unit varies according to the technology adopted, the particular stage of production in a modular/integrated unit, the

landed costs of input materials and the efficiency levels of capital and labour etc.

The information on the cost of production of steel by the individual units is available only for a few steel producers in the country.

The costs of production for an Indian plant on standard basis for CR coils, derived by the premier research agency in the field of iron and steel namely, the World Steel Dynamics (WSD), are as given below:

Indian Flat Products—Plant Costs (As on April 2001)

PROD. FACILITIES	TISCO	JINDAL	ESSAR	BSL	RSP	ISPAT	LLOYD	EAF/ DRI	STD. EAF	REF PLANT
Pre-Tax *Cou* (S/T)	314	419	421	404	466	457	462	496	5()5	423
Pre-Tax Cosl (R^T)	14601	19484	19577	18786	21669	21251	214X3	23064	23483	19670

NOTE: Exchange rale is Rs. 46.5 per US $.

Production costs for non-flat products are not available for a meaningful analysis.

(b) There are two indirect taxes on steel namely excise duty and sales tax. Excise duty is uniform throughout the country and is currently levied at 16% *ad-vatorem* for all steel products. Sales tax varies from one State to another with the exception of the 4% Central Sales Tax (CST), which is uniformly charged in all the States. This tax is also calculated *ad-valorem.*

(c) Government does not exercise any control on prices of iron and steel. These are determined by the market forces which vary from product to product and from place to place.

(d) The amount of profit on steel making differs for various steel plants. The profit is based on the technology and process of steel making in different plants and the efficiency in their operations.

(e) Following measures have been taken to reduce cost of production of steel to make the industry competitive:

(i) Upgradation/modernisation of public sector steel plants.

(ii) Encouraging research and development activities with financial assistance from Steel Development Fund (SDF).

(iii) Encouragement to reduction in energy consumption.

Referring SAIL to BIFR

2917. SHRI SANJAY NIRUPAM: Will the Minister of STEEL be pleased to state:

(a) whether Government arc planning to refer Steel Authority of India Limited (SAIL) to BIFR; and

(b) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) No, Sir.

(b) Does not arise.

Popularisation of sports

† 2918. SHRI JANESHWAR MISHRA: Will the Minister of YOUTH AFFAIRS AND SPORTS be pleased to state:

(a) whether it is a fact that there is rampant corruption in national sports, from selection to the play fields;

(b) whether it is also a fact that rural boys are deprived of the opportunities to show their talents, despite being talented; and

(c) if so, whether Government would adopt a common policy for rural areas and metropolitan cities and formulate any concrete policy to popularise the sports world?

---

† Original notice of the question was received in Hindi.